

## Article - Health - General

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§13–3309.

(a) A processor shall be licensed by the Commission.

(b) To be licensed as a processor, an applicant shall submit to the Commission:

(1) An application fee in an amount to be determined by the Commission in accordance with this subtitle; and

(2) An application that includes:

(i) The legal name and physical address of the proposed processor;

(ii) The name, address, and date of birth of each principal officer and director, none of whom may have served as a principal officer or director for a licensee under this subtitle that has had its license revoked; and

(iii) Operating procedures that the processor will use, consistent with Commission regulations for oversight, including storage of cannabis, extracts, and products containing cannabis only in enclosed and locked facilities.

(c) (1) (i) Subject to subparagraph (ii) of this paragraph, the Commission may license no more than 28 processors.

(ii) 1. If an applicant for licensure that received Stage One preapproval in calendar year 2016 for a medical cannabis processor license fails to satisfy the requirements for licensure established by the Commission, the Commission shall rescind the applicant's Stage One preapproval.

2. If the Commission rescinds the Stage One preapproval for a license of an applicant under subparagraph 1 of this subparagraph, the maximum number of medical cannabis processor licenses authorized under subparagraph (i) of this paragraph shall be reduced by the number of medical cannabis processor licenses rescinded by the Commission.

(2) (i) Subject to subparagraph (ii) of this paragraph, beginning December 1, 2024, the Commission may report to the General Assembly, in accordance with § 2–1257 of the State Government Article, on the number of licenses

necessary to meet the demand for medical cannabis by qualifying patients and caregivers issued identification cards under this subtitle in an affordable, accessible, secure, and efficient manner.

(ii) Before the Commission determines to submit the report described under subparagraph (i) of this paragraph, the Commission shall provide the Legislative Policy Committee at least 30 days to submit comments to the Commission.

(3) The Commission shall establish an application review process for granting processor licenses in which applications are reviewed, evaluated, and ranked based on criteria established by the Commission.

(4) (i) The Commission shall:

1. To the extent permitted by federal and State law, actively seek to achieve racial, ethnic, gender, and geographic diversity when licensing processors; and

2. Encourage applicants who qualify as a minority business enterprise, as defined in § 14–301 of the State Finance and Procurement Article, or who are small, minority, or women–owned business entities to apply for licensure as processors.

(ii) Beginning June 1, 2018, a processor licensed under this subtitle shall report annually to the Commission on:

1. The number of minority and women owners of the processor;

2. The ownership interest of any minority and women owners of the processor; and

3. The number of minority and women employees of the processor.

(d) A person may not have an ownership interest in or control of, including the power to manage and operate, more than one processor.

(e) (1) A processor license is valid for 6 years on initial licensure.

(2) A processor license is valid for 4 years on renewal.

(f) The Commission shall allow a processor licensed under this section or a processor agent registered under § 13–3310 of this subtitle to:

(1) Acquire, possess, process, package, label, transfer, transport, sell, and distribute to a dispensary edible cannabis products for use by a qualifying patient, a caregiver, or an academic research representative purchasing medical cannabis under § 13–3304.1 of this subtitle; and

(2) Transport edible cannabis products to an independent testing laboratory.

(g) A processor licensed under this section or a processor agent registered under § 13–3310 of this subtitle may not be penalized or arrested under State law for:

(1) Acquiring, possessing, processing, packaging, labeling, transferring, transporting, selling, or distributing medical cannabis or products containing medical cannabis to a dispensary for use by a qualifying patient, a caregiver, or an academic research representative purchasing medical cannabis under § 13–3304.1 of this subtitle; or

(2) Transporting medical cannabis or products containing medical cannabis to an independent testing laboratory.

(h) The Commission shall establish requirements for security and product handling procedures that a processor must meet to obtain a license under this section, including a requirement for a product–tracking system.

(i) The Commission may inspect a processor licensed under this section to ensure compliance with this subtitle.

(j) The Commission, in consultation with the Department, shall adopt regulations:

(1) Including the packaging, labeling, marketing, and appearance of edible cannabis products, to ensure the safety of minors; and

(2) To require a processor to meet any additional requirements that the Commission determines are necessary, including requiring a permit, for the processing of edible cannabis products.

(k) The Commission may impose penalties or rescind the license of a processor that does not meet the standards for licensure set by the Commission.

(l) A processor licensed under this subtitle is subject to the Maryland Antitrust Act and the Maryland Sales Below Cost Act.

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